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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

In the Matter of)	
Telephone Number Portability)	CC Docket No. 95-116
North American Numbering Council)	
Recommendation Concerning Local)	DA 98-1112
Number Portability Administration)	NSD File No. L-98-84
Wireline and Wireless Integration)	
)	

COMMENTS OF MCI TELECOMMUNICATIONS CORPORATION

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Dated: August 10, 1998

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SUMMARY

The NANC recommendation on wireless-wireline number portability integration (the "WWITF Report") fails to resolve any major issues and does not significantly advance implementation of wireless LNP. While MCI agrees that the issues associated with wireless-wireline number portability integration are technically complex, the process envisioned by the Commission's *Second Report and Order* in this proceeding — leading to "standards and procedures" necessary for wireless and CMRS provider "participation in local number portability" *within nine months* — has now broken down.

The most significant unresolved issue in wireless-wireline LNP integration arises from differences in service areas and billing methods, which makes porting of numbers from wireline to wireless providers far easier than the converse. The root cause of this disparity is the traditional "rate center" paradigm for wireline network call rating, under which each wireline carrier must use one NXX code (10,000 numbers) for each switch in each rate center, due to incumbent LEC historic use of NXXs for both routing *and* call rating purposes. If left unresolved, this association of NXXs with call rating, and thus the rate center "disparity" issue not resolved by the WWITF Report, threatens to substantially accelerate exhaust of the entire North American Numbering Plan, with drastic consequences for the industry, consumers and the American (and global) economy.

At the same time, LNP among wireless providers remains a key element of the Commission's efforts to increase competition and create a competitively neutral local exchange market in which end users are not "locked in" to providers because of a need to change telephone numbers. While fashioning long-term mechanisms to deal directly with the rate center issue, the Commission must, at the least, insist upon prompt implementation of wireless-wireless number portability.

MCI therefore recommends that, in response to the WWITF Report, the Commission should:

- Require timely deployment of LNP for wireless-wireless porting (including porting to wireless resellers), whether or not all technical details associated with wireless-wireline integration have been resolved
- Reject those aspects of the WWITF Report such as wireless carriers' agreement to maintain existing intervals for wireline number porting but shorten intervals for porting numbers from wireline to wireless networks that are not competitively neutral
- Initiate a Notice of Inquiry into means for allowing reciprocal portability between wireless and wireline networks, including long-term methods for disassociating the current method of central office ("CO") code assignment from call rating in order to ensure that call rating mechanisms do not result in the inefficient use of scarce NANP resources.

MCI believes that the Commission must take a leadership role in examining solutions to the issue of rate center "disparity" between wireless and wireline networks, and should begin the process of disassociating rating from CO code assignment, by issuing an NOI exploring available options for fashioning reciprocal wireline-wireless LNP. In a very real sense, this rate center issue is merely a symptom of poor number utilization arising from the ILECs' historic use of CO codes for both routing and call rating. Thus, the longer-term need to break the antiquated wireline rate center paradigm in order to permit wireless-wireline LNP integration will also reap tremendous rewards in terms of numbering efficiency, substantially removing the current threat to the NANP's basic structure arising from accelerating NPA exhaust. Simply put, efficient number utilization and maintaining competitive neutrality for number porting in an era of rapidly exhausting numbering resources cannot be achieved until CO code assignment is finally disassociated from call rating.

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MCI Telecommunications Corporation ("MCI"), by its attorneys, submits these comments on the Public Notice¹ released by the Common Carrier Bureau (the "Bureau") seeking comment on the North American Numbering Council ("NANC") recommendation concerning integration of wireless and wireline service providers into number portability administration.

INTRODUCTION

The NANC recommendation, developed by its Wireless-Wireline Integration Task Force ("WWITF Report"), fails to resolve any major issues and does not significantly advance integration of wireline and wireless carriers for local number portability ("LNP") purposes. The WWITF Report simply restates the issues — long known to the industry and the Commission — and provides only extremely limited recommendations. The NANC's efforts were hampered, in large part, by an inordinate amount of time spent addressing the so-called "rate center disparity" issue, for which no resolution has been proposed.

¹ Common Carrier Bureau Seeks Comment on North American Numbering Council Recommendation Concerning Local Number Portability Administration Wireline and Wireless Integration, Public Notice, CC Docket 95-116, DA 98-1112, NSD File No. L-98-84 (Comm. Carr. Bur. rel. June 29, 1998)("Notice").

While MCI agrees that the issues associated with wireless-wireline number portability integration are technically complex, the process envisioned by the Commission's *Second Report and Order* in this proceeding — leading to "standards and procedures" necessary for wireless and Commercial Mobile Wireless Service ("CMRS") provider "participation in local number portability" *within nine months* — has now broken down.² In light of the WWITF Report's failure to grapple with the basic differences between wireless and wireline networks and operational support systems, the past year of debate has produced almost nothing of substance. This may or may not reflect the fact that, during this same period, CMRS carriers have almost uniformly resisted the Commission's local number portability deadlines for wireless services,³ have opposed numbering optimization methods (such as number pooling) that are keyed to LNP, and have proposed LNP "solutions" that permit wireless carriers, but not their wireline competitors, to benefit competitively from the integration issues studied in the WWITF Report.

The most significant unresolved issue in wireless-wireline integration arises from differences in service areas and billing methods, which makes porting of numbers from wireline to wireless providers far easier than the converse. The root cause of this disparity is the traditional "rate center" paradigm for wireline network call rating, under which each wireline carrier must use one NXX code (10,000 numbers) for each switch in each rate center, due to incumbent local exchange carrier ("LEC") historic use of NXXs for both routing *and* call rating purposes. If left unresolved, this association of NXXs with call rating, and thus the rate center "disparity" issue,

² Telephone Number Portability, Second Report and Order, CC Docket No. 95-116, FCC 97-289, ¶ 91 (rel. Aug. 18, 1997)("Second Report and Order").

³ E.g., Wireless Telecommunications Bureau Seeks Comment on CTIA Petition For Waiver to Extend the Implementation Deadlines of Wireless Number Portability, Public Notice, CC Docket No. 95-116, DA 97-2579 (Wireless Telecommunications Bur. rel. Dec. 9, 1997); Wireless Telecommunications Bureau Seeks Comment on CTIA Petition Requesting Forbearance from CMRS Number Portability Requirements, Public Notice, CC Docket No. 95-116, DA 98-111 (Wireless Telecommunications Bur. rel. Jan. 22, 1998); Clarification of the Term "Technology Neutral," Public Notice, DA 97-2234 (Comm. Carr. Bur. rel. May 19, 1997).

threatens to substantially accelerate exhaust of the entire North American Numbering Plan ("NANP"), with drastic consequences for the industry, consumers and the American (and global) economy.

At the same time, LNP among wireless providers remains a key element of the Commission's efforts to increase competition and create a competitively neutral local exchange market in which end users are not "locked in" to providers because of a need to change telephone numbers. While fashioning long-term mechanisms to deal directly with the rate center issue left unresolved by the WWITF Report, the Commission must, at the least, insist upon prompt implementation of wireless-wireless number portability. MCI therefore recommends that, in response to the WWITF Report, the Commission should:

- Require timely deployment of LNP for wireless-wireless porting (including porting to wireless resellers), whether or not all technical details associated with wireless-wireline integration have been resolved
- Reject those aspects of the WWITF Report such as wireless carriers'
 agreement to maintain existing intervals for wireline number porting but
 shorten intervals for porting numbers from wireline to wireless networks —
 that are not competitively neutral
- Initiate a Notice of Inquiry into means for allowing reciprocal portability between wireless and wireline networks, including long-term methods for disassociating the current method of central office ("CO") code assignment from call rating in order to ensure that call rating mechanisms do not result in the inefficient use of scarce NANP resources.

While the WWITF Report reaches no consensus on the rate center or "disparity" issue, the wireless position is that the disparity should be permitted so that portability from wireline to wireless providers can be implemented (but not the reverse). This stands in stark contrast to the wireless industry's repeated opposition to both LNP and number pooling on the ground that they are not technology neutral. The wireless industry cannot have it both ways. The Commission must ensure that all aspects of the implementation of number portability are done in a competi-

tively neutral manner, and should aggressively advance wireless number portability deployment. Instead of delaying wireless number portability in view of the rate center differences between wireless and wireline networks, the Commission instead should require prompt implementation of wireless-wireless portability while it tackles the problem of rate center disparity and, in the longer term, disassociation of CO code assignment from call rating. This effort is plainly necessary to optimize number usage and maintain competitive neutrality in an era of rapidly exhausting numbering resources.⁴ Yet until portability is reasonably equivalent for both wireline and wireless carriers (wireless-wireline and wireline-wireless), it should not and cannot be implemented in one direction only.

BACKGROUND

The significance of number portability cannot be overstated, and its importance has long been recognized by the Commission. There is no debate that number portability promotes both competition and the efficient use of numbering resources. Despite these clear benefits, the Commission has recognized that "market forces alone are unlikely to provide a number portability solution, because entrenched telephone companies (whose participation is essential) have little interest in reducing obstacles to entry." Thus, the Commission in the early 1990s began the process of developing rules that would ensure the deployment of number portability.

⁴ The Commission should disregard BellSouth's suggestions that the NANC should not be permitted to modify in any fashion "workgroup" reports submitted to NANC because such reports are the collective effort of many parties, some who do not have membership on NANC. WWITF Report, BellSouth Minority Opinion. MCI fully supports the approach used by the NANC. This approach provides a balanced and open forum that allows all parties — NANC members and non-members — to influence NANC positions and provide their collective experiences to enhance industry recommendations. The Federal Advisory Committee Act process used for NANC is not only legally permissible, but provides ample opportunities for any carrier, consumer or concerned citizen to comment on and participate in the NANC process. That this process sometimes yields results BellSouth may not like is irrelevant.

⁵ Telephone Number Portability, Notice of Proposed Rulemaking, 10 FCC Rcd 12350, ¶ 17 (1995).

⁶ Administration of the North American Numbering Plan, Notice of Inquiry, 7 FCC Rcd 6837 (1992).

Since that time, the wireline telecommunications industry has made significant progress implementing number portability solutions. Lead by wireline carriers, detailed architecture and operational procedures have been developed. Number Portability Administration Centers ("NPACs") have been selected and made operational, expensive software and hardware upgrades have been made to network and operations systems, and implementation of wireline number portability has begun across the country. While being shepherded by the Commission, the wireline industry has expended significant time, effort and capital to achieve the initial deployment of number portability, for the benefit of consumers and competition.

Conversely, much of the wireless industry has made little or no progress towards the implementation of number portability. Rather than embrace number portability, many of the wireless service providers have repeatedly and relentlessly opposed number portability and sought special concessions to delay number portability. Throughout the number portability proceeding most wireless carriers opposed number portability. Failing to deter the Commission from requiring wireless number portability, many wireless carriers have nonetheless continued to attempt to derail and delay wireless number portability. They have resorted to the courts, challenging the Commission's authority to implement wireless number portability, and have attempted on several occasions to delay number portability through additional, meritless petitions to the Commission.8

In contrast, recognizing the need to integrate wireline and wireless number portability efforts while avoiding further delays to number portability that had been advocated by the wireless industry, the Commission one year ago "direct[ed] the NANC to develop standards and pro-

⁷ Bell Atlantic-NYNEX Mobile, Inc. v. FCC, No. 97-9551 (10th Cir. 1997), oral argument pending. ⁸ See note 3 above.

cedures necessary to provide for CMRS provider participation in local number portability." It further directed the "NANC to present its wireless recommendations to the Commission as soon as possible, but not later than nine months after the release of this Second Report & Order." The Commission specifically requested that NANC "consider other issues of concern to CMRS providers, such as how to account for differences between service area boundaries for wireline versus wireless services."11

Nonetheless, after nearly a year of effort, the NANC recommendations provide only one concrete procedure and do not reach any conclusions on the service boundary (or rate center) issue raised by the Commission. Once again, the process for implementing wireless number portability has been delayed. Indeed, the Commission has already deferred until December 1998 its decision on wireless number portability integration, 12 thereby moving these decisions perilously close to the June 1999 deadline for wireless number portability, and giving the wireless industry yet another opportunity to seek to delay LNP.

DISCUSSION

I. THE WWITF REPORT FAILS TO RESOLVE ANY MAJOR ISSUES AND DOES NOT SIGNIFICANTLY ADVANCE WIRELESS-WIRELINE NUMBER PORTABILITY INTEGRATION

The WWITF Report provides limited recommendations and fails to resolve any major issues associated with wireless number portability integration. The WWITF Report discusses three wireless-wireline integration issues: the disparity in rate center and service areas between wireless and wireline carriers (the "rate center issue"), identification of wireless switches for which

 $^{^{9}}$ Second Report and Order ¶ 91. 10 Id.

¹² Public Notice at 1.

number portability has been requested, and provisioning of wireless number portability. Yet the Report fails to reach any recommendation regarding the rate center issue, ¹³ recommends the establishment of a clearinghouse for identifying switches for which number portability has been requested, ¹⁴ and proposes that more study is needed to assess timeframes for provisioning number portability while agreeing initially to use the existing local service request ("LSR") process. ¹⁵ MCI supports the establishment of a clearinghouse and endorses a study to assess whether the timeframes for porting can be shortened in a cost-effective, competitively neutral way.

Essentially, however, the WWITF Report merely restates the issues and begs the real "disparity" question plaguing wireless-wireline LNP integration. A large portion of the WWITF Report contains lengthy statements of the wireline and wireless industry positions regarding the disparity issue, and clearly demonstrates that the industry is far apart on this issue. The Commission must step forward and, as discussed further in Section III, finally address the rate center issue. Additionally, the WWITF Report contains the same hackneyed recitals of why wireless carriers can not implement number portability. Section 4 of the WWITF Report contains nothing more than the same arguments that the wireless industry has used in its repeated petitions to delay number portability. These, along with the other issues raised by the wireless industry, represent little more than a series of excuses to delay, rather than integrate, wireless number portability. The Commission should not countenance the wireless industry's delaying tactics by giving any credence to Section 4, but rather should strongly encourage the wireless industry to resolve these technical issues, making clear that technical challenges will not serve as grounds to delay wireless number portability.

¹³ WWITF Report at 7.

¹⁴ *Id.* at 8.

¹⁵ *Id.* at 9.

Finally, the WWITF Report does not consider LNP impacts on resellers. It does, however, indicate that the LNPA Working Group will hold monthly discussions, and present a recommendation to the NANC by December 31, 1998. WWITF Report and 21-22. The Commission should enforce this deadline and ensure that it does not delay wireless number portability. Indeed, in light of the WWITF Report's failure to address the key issues affecting wireless-wireline integration, the Commission should reaffirm its commitment to wireless LNP, as discussed in Section III of these comments, by requiring wireless-wireless number portability (including to wireless resellers) whether or not it makes any changes in deadlines for achieving the most problematic part of wireless-wireline integration, namely the reciprocal porting of numbers from wireless to wireline carriers.

II. THE COMMISSION SHOULD REJECT THE RECOMMENDATIONS OF THE WWITF REPORT FOR WIRELESS LNP INTEGRATION SOLUTIONS THAT UNDULY FAVOR WIRELESS CARRIERS AND FAIL THE COMPETITIVELY NEUTRALITY REQUIREMENT OF THE NUMBERING RULES

The Commission has several policy objectives and rules that it uses to determine whether a number decision or approach is acceptable. Section 251(e) of the Telecommunications Act of 1996, 47 U.S.C. § 251(e)(6), requires that the Commission make telephone numbers available on an equitable basis. Consistent with this mandate, the Commission seeks "[t]o ensure that telecommunications numbers are made available on an equitable basis." Under this principle, the Commission seeks to promote efficient number resource allocation and ensure that numbering administration and decisions are made in a competitively neutral manner. The rules likewise require that numbering decisions cannot unduly disadvantage or benefit any carrier or class of carriers, or deny access to numbering resources based on the technology a carrier or class of carrier

¹⁶ 47 C.F.R. § 52.9(a)(1).

uses in its networks.¹⁷ Several positions expressed in the WWITF Report fail to meet these principles and are not "competitively neutral."

First, the WWITF Report notes that the "wireless industry considers the initial wireline porting timeframes acceptable for ports from wireless to wireline. However, wireless service providers desire reduced porting intervals when porting from wireline to a wireless carrier." In effect, the wireless industry wants to gain an advantage over wireline carriers by being able to move a wireline customer to a wireless service provider faster than a wireline carrier could move a wireless customer to its service. For example, while it might take 2 1/2 hours to move a wireline customer to a wireless service provider, it could take 3 days (or even up to 5 days) to port a wireless customer to a wireline service provider. This would significantly advantage wireless carriers by making it more burdensome for a customer to switch to a wireline provider from a wireless provider than vice versa.

Second, the WWITF Report advocates imposing number portability administration center ("NPAC") costs to meet wireless service provider needs at the expense of the entire industry. The WWITF "request[s] that the NPAC system and center business hours be defined to uniquely address the needs for wireless to wireless porting." Such a request will certainly impose an additional cost, solely because many wireless carriers have chosen to deploy operational support systems that are incompatible with the rest of the telecommunications industry, which will be borne by the entire industry. This result is not competitively neutral in that costs will be imposed on wireline carriers for the benefit only of wireless carriers. The NPAC was designed to serve limited porting functions, with the more substantial modifications necessary to achieve LNP

¹⁷ 47 C.F.R. § 52.9(a)(2), (a)(3). ¹⁸ WWITF Report at 12.

¹⁹ Id. at 18.

being made within carriers' own networks and order processing systems. Wireless carriers, on the other hand, want to reverse this approach. If any accommodation of wireless carriers is made in NPAC design or operations, at the very least cost recovery measures should ensure that these costs be borne by the wireless industry, as carrier-specific costs, not wireline carriers. Joint costs should not include NPAC costs that provide functionalities and benefits for only one industry segment.

Likewise, the WWITF "recommends that the inter-service provider communications process designed by the wireline industry segment be replaced for wireless portability"²⁰ because the wireless industry "believe[s] it is too cumbersome and costly to implement and does not adequately support the porting intervals required for wireless ports."²¹ As a result, the wireless industry segment recommends "replacing the LSR process with a modification to the NPAC SMS."²² Following lengthy NANC discussion, a recommendation was made to conduct a feasibility study into changing the provisioning process. MCI supports such a study, but cautions that, once again, the position advocated by the wireless industry is not competitively neutral in that it seeks to benefit wireless carriers at the expense of the wireline industry.²³ If changes are made in the NPAC SMS to meet unique wireless requirements, then the wireless industry should bear the associated costs and those changes should not be allowed to delay LNP for the entire industry or for applications, such as wireless-wireless portability, where LNP is plainly feasible today.

²⁰ *Id.* at 19.

²¹ *Id.* at 20. ²² *Id.* at 19.

²³ The NPAC changes urged by the wireless industry would also require revision of Section 52.25 of the Commission's Rules, which limits the NPAC to storing "information necessary to route telephone calls." 47 C.F.R. § 52.25(f). Because the NPAC would need to contain information related to end user customers and their services, the wireless proposal would thus raise significant privacy and Customer Proprietary Network Information ("CPNI") concerns as well.

Third, while the WWITF Report reaches no consensus on the rate center or "disparity" issue, the wireless position is that the differences between wireless and wireline service areas should remain unchanged so that portability from wireline to wireless networks, and thus "competition," may be advanced.²⁴ This approach to the rate center issue would allow wireless carriers to port a wireline customer over a greater geographic area than wireline carriers could port wireless customers. MCI agrees with the WWITF Report that "[t]he difference in porting capabilities between wireless and wireline service providers with the existing method/architecture creates a significant disadvantage to wireline service providers."²⁵ The wireless industry seeks to minimize this disparity by noting that "delaying implementation until all issues are resolved is not always in the best interest of competition. While this might result in a 'disparity' in the perspective of some, it reflects that 'competition will come in fits and starts."²⁶

Interestingly, this last position stands in stark contrast to some wireless carriers' repeated opposition to number pooling on the grounds that it is not technology neutral because it would permit a perceived "disparity" in access to telephone numbers. In fact, with respect to number pooling, wireless carriers seek to do exactly what they say should be avoided with respect to the rate center disparity — "slow down competition to reflect the lowest common denominator." As a recent study of telephone numbering administration concluded:

[H]aving prevailed in their demands for 'technology neutral' access to geographic NPAs, the same wireless interests have regularly sought to hide behind their own technical and operational limitations to actually block efforts by state PUCs to craft broadly beneficial and minimally impacting numbering solutions. . . While there are obvious physical differences between wireline and wireless technologies, wireless carriers should not be permitted to 'have it both ways.' If they want and demand technological neutrality in their access to geographic NPAs, they

²⁴ WWITF Report, Appendix A at 48.

²⁵ Id. at 43

²⁶ Id.

²⁷ *Id.* at 48.

must be required to accommodate their own operations so as not to impose costs and other operational burdens upon wireline carriers and users of wireline services.

Economics and Technology, Inc., Where have all the Numbers Gone?: Long-term Area Code Relief Policies and the Need for Short-term Reform, at 38, March 1998. Thus, the Commission must ensure that all aspects of number portability are implemented in a competitively neutral manner, while not slowing down portability, and therefore true local telephone competition, to reflect the lowest common denominator.

III. THE COMMISSION MUST EXERCISE ITS PLENARY JURISDICTION OVER NUMBERING AND AGGRESSIVELY ADVANCE WIRELESS NUMBER PORTABILITY

The Commission must aggressively advance wireless number portability. Over the last four years the wireless industry has repeatedly and consistently sought to delay number portability. Exacerbating these delays have been the wireless carrier pleas to delay number pooling because they do not have number portability. The Commission must put an end to these delays, impose (and stick to) strict deadlines for wireless-wireless number portability, and not delay number pooling merely because some wireless carriers are unable to participate. To deal with the root cause of the rate center "disparity" issue preventing reciprocal wireless-wireline number portability, the Commission should initiate a longer-term inquiry into methods for disassociating CO code assignment from call rating.

The Commission should adopt the WWITF Report recommendations in those few areas where industry consensus was reached, and enforce strict deadlines for addressing the remaining wireless integration issues. The Commission should not wait until spring of 1999 to address the many issues the WWITF Report left unresolved. Rather, it should promptly adopt rules that implement the recommendations, and remove them from industry consideration and reduce uncer-

tainty. Furthermore, it should adopt strict deadlines for resolving the remaining "integration" issues and make clear to the wireless industry that the Commission is committed to the June 1999 deadline for wireless-wireless number portability. If the Commission does not take these steps now, MCI is concerned that the wireless carriers will simply have yet another opportunity to request a delay in wireless number portability.

Likewise, the Commission must finally enable number pooling to proceed. As MCI has repeatedly argued, number pooling is clearly technologically neutral, in that pooling among wireline carriers does not disadvantage wireless carriers and frees numbers for assignment to all carriers. CMRS providers are in no way harmed by number pooling, which allows them to continue to receive 10,000-block number assignments even where other carriers' numbers are pooled. Indeed, implementation of wireless-wireless LNP will have the added benefit of allowing wireless carriers to participate in number pooling, thus permitting wireless carriers to do their part for number optimization and conservation.

The Commission must decisively address the rate center issue avoided by the WWITF Report. The fundamental problem of associating CO code assignment with wireline call rating has lead to inefficient number usage, imperils wireless number portability implementation and threatens effective competition. Issues related to number usage and rate centers have been before the Commission since at least 1996, when Teleport petitioned the Commission to implement its so-called "Number Crunch Proposal," in which Teleport proposed to allow a single NXX to serve multiple rate centers.²⁹ There have been similar proposals by other carriers, and some recent activity across the country to consolidate rate centers.

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²⁸ See MCI Comments, DA 97-2234 (filed Oct. 29, 1997).

²⁹ Pleading Cycle Established for Comments on Teleport Communications Group Inc's Petition for Declaratory Ruling, Public Notice, DA 96-1284, NSD File No. 96-9 (Comm. Carr. Bur. released Aug. 14, 1996). (Footnote continued on next page)

MCI believes that the Commission should take a leadership role in examining solutions to the issue of rate center "disparity" between wireless and wireline networks, and should begin the process of disassociating rating from CO code assignment, by issuing a Notice of Inquiry exploring available options for fashioning reciprocal wireline-wireless LNP. In a very real sense, the rate center "disparity" problem is merely a symptom of poor number utilization arising from the ILECs' historic use of CO codes for both routing and call rating. As the Commission and the industry fashion ways to solve that problem, they will also address one of the fundamental numbering problems affecting the telecommunications industry today. Thus, the longer-term need to break the antiquated wireline rate center paradigm in order to permit wireless-wireline LNP integration will also reap tremendous rewards in terms of numbering efficiency, substantially removing the current threat to the NANP's basic structure arising from accelerating NPA exhaust.³⁰ Simply put, efficient number utilization and maintaining competitive neutrality for number porting in an era of rapidly exhausting numbering resources cannot be achieved until CO code assignment is finally disassociated from call rating.

MCI cautions that the Commission must continue to advance number portability by ensuring that wireless to wireless number portability — which is unaffected by the rate center issue — occurs in a timely fashion. And by proposing that the Commission disassociate rating and CO code assignment, MCI is not suggesting that "location" portability should necessarily be implemented, nor that the Commission should require any short-term, "flash cut" separation be-

MCI supported, in principle, Teleport's concept of being able to employ NXXs over a broader area than was currently possible, but noted that significant technical issues existed. *See* MCI Comments, DA 96-1284, NSD File No. 96-9 (filed Sep. 16, 1996).

Number exhausts and shortages result from the fact that the "numbering system is highly fragmented, resulting in extreme shortages of numbers is some areas and millions of unused and unusable numbers in others." Where Have All the Numbers Gone? at iv. This fragmentation, a product of the rate canter approach, requires every wireline carrier to use an entire NXX (10,000 numbers) in every LEC "rate center," regardless of the number of customers served or telephone numbers actually used.

tween rating and telephone number assignment. Precipitous actions by the Commission could be unsettling, and thus ultimately harmful to local telephone competition. Rather, the Commission should continue to push LNP forward, while exploring the available options for addressing the fundamental problem — the association of telephone numbers with rate centers — with which the WWITF Report refused to grapple.

The Commission clearly has the authority and responsibility to disassociate CO code assignment and call rating. The Telecommunications Act of 1996 confirmed the Commission's plenary jurisdiction over numbering resources. Consequently, the Commission is well within its authority to work with the state commissions to ensure that the methods for rating calls do not result in the inefficient use of use numbering resources. Moreover, to the extent that state decisions on rate centers threaten national LNP policies or efficient number usage, the Commission has the authority to preempt those policies.

As a policy matter, the Commission also has a responsibility to take action to disassociate telephone rating from CO codes. The historic rate center paradigm, developed by incumbent LECs, is harmful to competition and severely exacerbates telephone number usage, and waste, in an era of geometrically increasing demand for numbering resources. First, wireline rate centers are a creature of the incumbent LEC monopolies, and old technology, that need not and should not be a barrier to competition and numbering efficiency. The existing association between numbers and rate centers unnecessarily burdens new competitors by forcing them to request and manage large numbers of NXXs. As noted above, this association also leads to extremely inefficient number usage, resulting in many NPA exhaust and jeopardy situations — and NXX "allocation" processes — that prevent new competitors from obtaining needed numbering resources in a timely fashion. Finally, as documented in the WWITF Report, the use of telephone numbers

as rate centers has the potential to create a competitive disparity between wireless and wireline carriers. The Commission should take a leadership role in promoting the long-term disassociation of CO codes and rate centers — it has the authority and the responsibility to do so.

CONCLUSION

The NANC's failure to resolve the basic question of how to integrate wireless carriers

into LNP unfortunately means that the Commission must take an active role in ensuring that

further wireless number portability delays are avoided and that mechanisms for achieving wire-

less LNP are competitively neutral. Because the major technical problem with integrating wire-

less carriers into the LNP system is the use of NXX-based "rate centers" for wireline carrier call

rating, the Commission should begin the process of disassociating CO codes and rating, in order

to promote competition and numbering efficiency, by issuing an NOI on alternatives to wireline

rate centers and their impact on numbering resource exhaust.

Respectfully submitted,

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Dated: August 10, 1998

I, Amy E. Wallace, do hereby certify that on this 10th day of August, 1998, that I have served a copy of the foregoing document via *messenger and U.S. Mail, postage pre-paid, to the following:

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